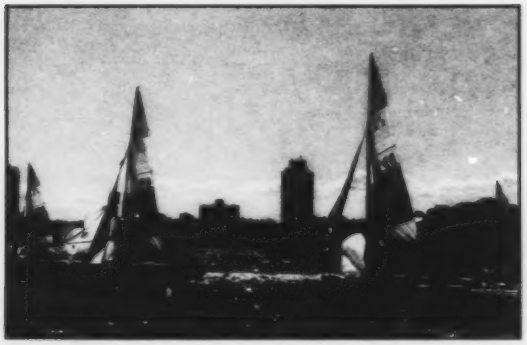


THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH

Ontario, Canada

1991 ANNUAL FINANCIAL REPORT

93-01039/

TABLE OF CONTENTS

Introductory Section

Creation and Location 1
Chairman's Message 2
Treasurer's Report 3
Five Year Review 10

Financial Section

Consolidated Financial Statements
- Management Report 17
- Auditors' Report 18
- Consolidated Balance Sheet 19
- Consolidated Statement of Operations 20
- Schedule of Current Operations 22
- Schedule of Capital Operations 23
- Reserves and Reserve Funds Schedule of Continuity 24
- Notes to the Consolidated Financial Statements 25

Trust Funds Financial Statements
- Auditors' Report 31
- Balance Sheet 32
- Statement of Continuity 32
- Notes to the Financial Statements 33

Sinking Fund Financial Statements
- Auditors' Report 34
- Balance Sheet 35
- Statement of Continuity 35
- Notes to the Financial Statements 36

Organizational Section

Reporting Entity and Services Provided 38
Organization Structure 40
Front Line Services 42
Administrative, Advisory and Support Services 43
Corporate Organization Chart 44

The corporate logo of The Regional Municipality of Hamilton-Wentworth was designed to give form to the many faceted urban and rural elements of the Region. To meet this objective the resulting design is made up of an urban backdrop against a rural foreground representing a ploughed field and a body of water. To tie-in with a Hamilton-Wentworth identification, the skyline buildings are arranged to form the letters "HW" in a subtle way to preserve the simplicity of the design.

Cover Photos:
Sulphur Springs restored train station - top
Sailing in Hamilton Harbour - middle
McMaster University - bottom

CREATION AND LOCATION

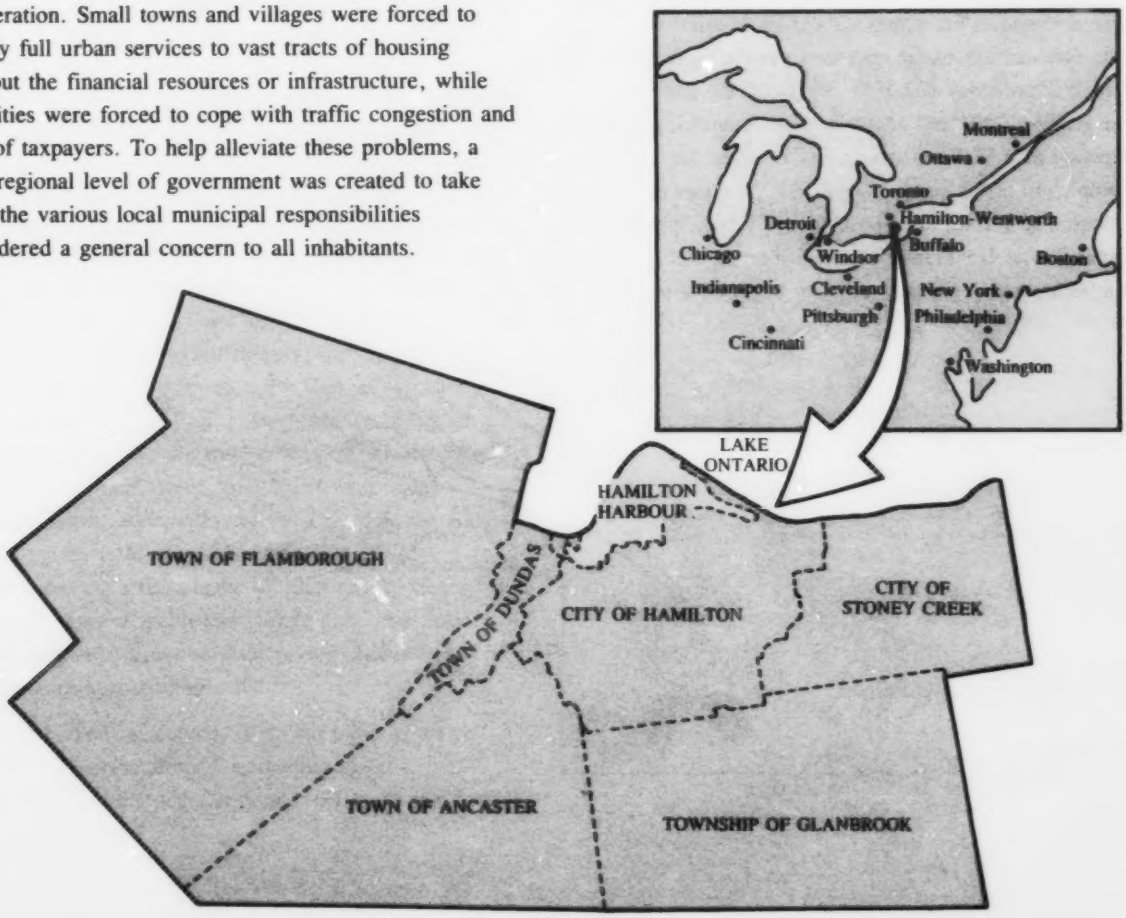
Ski lift at Chedoke Park

The Regional Municipality of Hamilton-Wentworth came into effect on January 1, 1974, established through an Act passed by the Ontario Legislature. The Region represents the upper tier of a two tier system of government. The lower tier is comprised of six area municipalities, the Cities of Hamilton and Stoney Creek, the Towns of Ancaster, Dundas and Flamborough, and the Township of Glanbrook.

The two tier system of local government originated as a direct result of suburban sprawl, where smaller rural communities were urbanized, putting a strain on services, transportation and local government cooperation. Small towns and villages were forced to supply full urban services to vast tracts of housing without the financial resources or infrastructure, while the cities were forced to cope with traffic congestion and loss of taxpayers. To help alleviate these problems, a new regional level of government was created to take over the various local municipal responsibilities considered a general concern to all inhabitants.

Located in the southern part of the Province of Ontario, Hamilton-Wentworth is 68 kilometres west of Metropolitan Toronto and within an 800 kilometre radius of the large American consumer markets such as Boston, Chicago and New York. The Region's two cities, three towns and one township cover a land area of 280,764 acres, with a population in excess of 450,000 people.

Over one quarter of the land found in Hamilton-Wentworth is occupied by homes, industrial enterprises, commercial strips, apartment buildings, recreational parks, and other urban land-uses. Local business activity consists mainly of industrial and manufacturing enterprises, with the steel firms Stelco and Dofasco being the two largest industrial employers. Other goods and services produced in the Region include textiles, electrical products, detergents, footwear, communication systems, food processing, rail cars, and metal fabrication. In addition to industrial enterprises, the health care, education and financial services sectors have grown rapidly in the last decade, and now are an important component in the Region's workforce profile.



CHAIRMAN'S MESSAGE

The effects of a prolonged national recession have made the 1991 year a difficult one from an economic and financial perspective for The Regional Municipality of Hamilton-Wentworth.

The sluggish economy, in combination with rising costs from both Federal and Provincial government legislated programs, severely stretched the Region's financial resources during the past year. Only through wise financial planning policies and the commitment by Council to keep costs in line with the hard economic times was it possible to deliver an inflation level tax increase of 5.7% to the citizens of this municipality in 1991.

The Region's transportation infrastructure has been, and will continue to be, a major focus of Council in 1992. The construction of the east-west portion of the Red Hill Creek Expressway began in 1991 with the completion of the Highway 403 and Mohawk Road interchange. The erection of 3 highway overpasses is slated for completion in the coming year. The final environmental assessment hurdles have been passed for the planned expansion of Go Transit between Toronto and downtown Hamilton enabling construction to begin on a new $40 million train and bus station at the T.H. & B location. In 1991, a Hamilton Region Airport Management Board composed of 6 Regional Councillors and 6 citizen appointments was created to oversee the operations of the Airport and to attract new air services and airport development. The future of the airport looks promising with several development proposals to expand or build new cargo, warehouse and aircraft maintenance facilities on the drawing board. Consideration is also being given to extending the main runway from 8,000 to 10,000 feet to encourage further air traffic and growth.

The 1991 accomplishments with respect to environmental protection demonstrate the high priority that our elected officials and residents place on these issues. The Region's environmental protection efforts were expanded in 1991 with the introduction of a blue bag program to augment Hamilton-Wentworth's already successful curb side recycling pick up campaign, combined with the sale of 5,000 home composting units and 15,000 water conservation kits. These initiatives will help reduce waste, preserve our water resources and extend the life of the Region's landfill site and water treatment facilities.

The Hamilton-Wentworth Region is well positioned financially to face the challenges that lie before us down the road. We will strive to maintain the quality and quantity of services expected by our community, and carry out these functions in the most cost efficient and effective way possible.

R.J. (Reg) Whynott
Regional Chairman

TREASURER'S REPORT

On behalf of Regional Council, I am pleased to present the 1991 Annual Financial Report of The Regional Municipality of Hamilton-Wentworth, and to comment on the significant reporting achievements and financial results of the past year.

The financial statements contained in this report have been prepared in accordance with the accounting principles and disclosure requirements of the Municipal Financial Reporting Handbook. The Handbook is a set of reporting guidelines issued by the Ontario Ministry of Municipal Affairs for application by municipalities and their local boards. The Handbook of the Canadian Institute of Chartered Accountants (CICA) is the authoritative source of guidance on any matter in which the Municipal Financial Reporting Handbook is silent.

BUDGETING, ACCOUNTING AND REPORTING SYSTEM

To ensure the most efficient use of the Region's financial resources, a budgeting process has been put in place that involves the participation of elected officials, department heads, staff and the public. At the end of the budgeting process, The Regional Municipality of Hamilton-Wentworth publishes an annual budget document outlining by function the Current Operating Budget and Five Year Capital Forecast. In 1991, for the 6th consecutive year, the Region won the distinguished budget presentation award from The Government Finance Officers Association of the United States and Canada for its 1990 annual budget. This award demonstrates the effectiveness of Hamilton-Wentworth's budget process and published budget document as an operations guide, financial plan, policy statement and as a communications medium.

Once the budget is adopted, it is controlled by an on line real time encumbrance accounting system. Automatic funds checking is performed at the purchase requisition, purchase order and invoice stages, ultimately preventing payments from being issued against accounts with insufficient budgeted funds. The accounting and reporting system of The Regional Municipality of Hamilton-Wentworth is continually being modified and enhanced to improve the accessibility and timeliness of the financial information. The introduction of budget numbers in 1991 on the Schedule of Current Operations is evidence of this development approach.

FINANCIAL REPORTING AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to The Regional Municipality of Hamilton-Wentworth for its annual financial report for the fiscal year ended December 31, 1990.

Canadian Award for Financial Reporting

Presented to

Hamilton-Wentworth, Ontario

For its Annual Financial Report for the Year Ended December 31, 1990

A Canadian Award for Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to municipalities whose annual financial reports achieve the high program standards for Canadian governmental accounting and financial reporting.

President

Executive Director

The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. The Hamilton-Wentworth Region was only one of three local governments in Canada to receive this award in 1991, the initial year of the program.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and will be submitting it to the GFOA to determine its eligibility for another certificate.

ECONOMIC TRENDS

The local economy has been hit hard by the continued recession experienced in Canada and internationally. The closures, downsizing and structural changes taking place particularly in the manufacturing, financial services and real estate sectors has had a negative impact on the Region.

At the end of 1991, the Region's unemployment rate stood at 9.8%, translating into 32,200 people out of work. The Hamilton-Wentworth welfare volume climbed to 11,888 cases in 1991, a 44.6% increase from 1990 levels. Although general welfare assistance statistics have risen dramatically for the second year in a row, they appear to have peaked, as all indications point to a gradual decline in these numbers in 1992. Despite falling mortgage rates, the new housing market remained relatively flat during the year due to low consumer confidence and economic uncertainty. New housing starts totalled 1,515, compared to 2,381 a year earlier. Similarly, the value of residential building permits issued dropped from $262.3 million to $38.4 million in 1991. On a brighter note, the hospitality industry in Hamilton-Wentworth had an exceptional year, with tourism and convention figures surpassing previous records. A total of 196 conventions were held in the Region, an increase of 7.7% over the 182 conventions held in 1990. Special events such as the Canada Cup hockey tournament, Hamilton International Airshow and the Canadian Country Music Awards helped to attract an estimated 2.5 million tourists to the Region in 1991, generating local spending in the area of $249 million. This represented a 51% increase over 1990 tourist revenues.

The Region's local economy should begin to show signs of a recovery in 1992 as the national recession appears, according to most economic indicators, to have bottomed out. The slow pace of recovery will limit employment growth in the coming year, resulting in area unemployment levels remaining in the 9.5% to 10.0% range. The structural changes that have taken place in the manufacturing and business sectors will mean that many laid off workers will not be rehired, thus restricting the job prospects for individuals on unemployment or welfare. Building activity, especially in the residential sector, should improve in 1992 as lower interest rates are expected to boost the demand for new housing. Other factors that may encourage increased construction activity in the coming year include changes at the Federal level that have reduced the minimum allowable downpayment on a home from 10% to 5%, and for a limited time only the opportunity to withdraw retirement savings tax free to be used towards the purchase of a house. To further spur development, the Region will be reducing its residential and non-residential development charges, by 30% and 40% respectively in 1992. The lowering of these development charges is a temporary two year measure until the economic climate improves.

FINANCIAL POSITION AND FUTURE PROSPECTS

In spite of the poor economic conditions, the Region's financial position remains strong as evidenced by the Canadian Bond Rating Service recent renewal of Hamilton-Wentworth's Triple "A" credit rating.

Although this recession has been severe, the diversification that has taken place in the Region's workforce over the last decade has enabled our municipality to weather it in better shape than the previous one experienced between 1981 and 1983. The Hamilton-Wentworth Region has traditionally been known as a manufacturing centre consisting of large and mid-size employers. However, new employment growth

since the last recession has been mainly concentrated in the service sector, with much of this in the health care field. Between 1982 and 1990, total office employment increased by 25% to 45,570, retail sector jobs rose 32% to 54,190, while manufacturing jobs dropped 12.8% to 55,215 workers. In 1982, almost 1 in 3 workers in Hamilton-Wentworth were employed in manufacturing. Today, that number is less than 1 in 4. This shift away from manufacturing jobs is not that surprising considering the Region is home to seven hospitals employing over 13,000 people, a university, a community college, and is a regional centre for many financial and communication services.

The last several years have seen the Region embark on an extensive road and sewer rehabilitation program without seriously increasing the debt load to the taxpayers. This can be attributed to sound financial management such as the Pay-As-You-Go Policy whereby annual capital requirements are financed to a large extent from current operating budgets and reserves. The Region's policy makers realized several years ago the importance of an efficient and well maintained infrastructure for securing future economic growth and prosperity. Major additions to the existing transportation infrastructure such as the Red Hill Creek Expressway, Go Transit Service and the Perimeter Road have been actively pursued by the area's elected officials and will come on stream within the next five years.

The Region's financial policy of building up reserves and reserve funds during the mid to late nineteen eighties while limiting debenture financing, has prepared Hamilton-Wentworth for the current economic downturn. During the last recession in 1982, the Region had a reserves to debt ratio of .89 compared to the 1991 ratio of 1.18. At the end of 1991, debt charges comprised 5.1% of the total current program expenditures down from the 6.2% figure of 1982. With less current revenues needed to service debt expense, the Hamilton-Wentworth corporation has better financial flexibility now than it did in the last recession ten years ago.

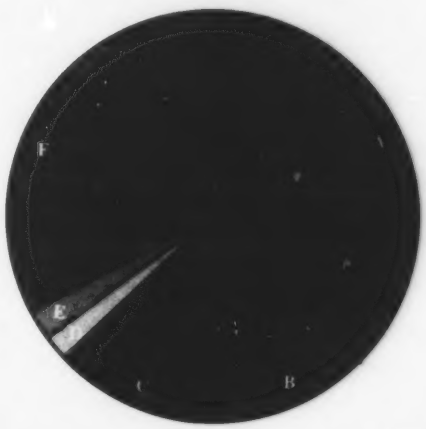
The average 1992 mill rate increase levied against the area property owner for Regional services, after deducting assessment growth of .5%, has been set at 3.8%. Combined with zero percent increase in water and sewer rates, Hamilton-Wentworth has provided its taxpayers with the lowest net tax increase of any regional municipality in the Province. This is quite an accomplishment considering the demands for welfare and police services, which caused expenses to rise faster than the rate of inflation, and unconditional grants from the Province being limited to a 1% increase for 1992.

With better economic times ahead, the financial outlook for the immediate future looks good. The Hamilton-Wentworth Region has demonstrated a fiscally responsible attitude in managing the financial affairs of the corporation. By minimizing the need to issue new debt through aggressive financial planning, the Region's financial position has been placed on a solid footing.

REVENUE FUND

In 1991, revenue from current operations increased $61.9 million to $454.5 million, an increase of 15.8%. A $42.6 million jump in provincial subsidies accounts for this increase being above the 5.6% annual inflation rate. The rapid increase in welfare caseloads during 1991, which saw Hamilton-Wentworth's provincial funding share of general assistance payouts increase from 80% to 90%, accounted for most of the additional provincial monies. Provincial subsidies and revenue from taxation represented $333.3 million or 73.3% of the total revenue earned in 1991. Transit fare revenue fell in 1991 due to a 9.8% drop in ridership that saw passengers carried decline from 26.9 million in 1990 to 24.5 million in 1991. The elimination of some inter-city bus routes and the general decline in the local economy were responsible for the reduced transit usage.

REVENUE FUND
1991 Sources of Financing



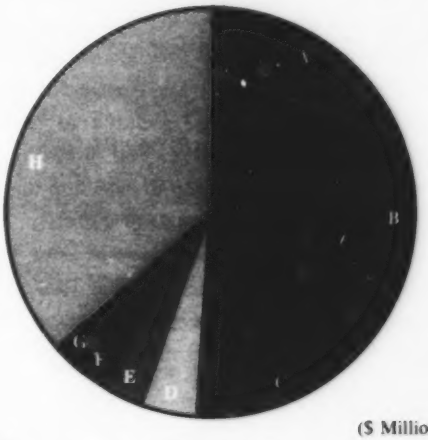
		($ Millions)
A	Provincial Subsidies	175.7
B	Direct Charges to Ratepayers	51.2
C	Fees & Service Charges	65.5
D	Other	1.8
E	Investment Income	2.7
F	Taxation	157.6

Source: Hamilton-Wentworth Finance Department

Revenues from water billings climbed by 13.0% in 1991 to $24.7 million. A water rate increase of 2.1%, increased consumption during the hot summer of 1991, and the introduction of hydrant charges on City of Hamilton water bills, all contributed to the higher water revenues.

The money spent providing essential municipal services and benefits to the inhabitants of Hamilton-Wentworth increased by 15.6% to a level of $454.5 million, despite a general freeze on new program initiatives. The community demands placed on the Region during these economic times, particularly people-oriented services, have been rising at a greater rate than the level of inflation.

REVENUE FUND
1991 Expenditures by Function



($ Millions)

A	Transportation Services	84.4
B	Environmental Services	67.6
C	Protection to Persons & Property	66.3
D	General Government	17.0
E	Health Services	15.6
F	Planning & Development	7.5
G	Recreation & Cultural Services	6.4
H	Social & Family Services	158.4

Source: Hamilton-Wentworth Finance Department

Health and Social Service functions continue to dominate current spending comprising $174.0 million, or 38.3% of total costs in 1991. The primary explanation for this dramatic increase lies with the ballooning welfare caseload numbers, a 7% legislated increase in general welfare rates, and the hiring of an additional 25 temporary social and clerical support staff.
Transportation Services was the second most expensive activity performed, amounting to $84.4 million or 18.6% of total 1991 spending. The operation of the public transit system and a corresponding passenger service for disabled regional residents accounted for $56.7 million or 67.2% of all transportation related costs. Roadway maintenance expenditures, winter control maintenance costs, and airport administrative and operational expenses are also charged to this function. Inflationary pressures and expansion of the Region's recycling program increased costs for Environmental Services to $67.6 million in 1991, compared to $64.5 million in the previous year. Maintenance costs for the Region's waterworks and sanitary sewer system, and solid waste expenditures incurred from the operation of the Region's 1 landfill site, 3 transfer processing stations, and 1 solid waste incinerator were the major expenditures.

Other current expenses included activities related to maintaining law and order, administration, recreation and cultural services, planning, and economic development. Policing services represented the most significant costs in these areas at $63.2 million in 1991, a $5.5 million increase from 1990 levels. The addition of 21 uniform officers and 2 civilian staff to the Police force, the expansion of the Professional Standards Branch to provide more effective handling of police complaints, and additional monies spent on police computer training programs accounted for much of this increase.

CAPITAL FUND

At the end of financial operations in 1991, the Region's Capital Fund had an unexpended capital financing balance of $44.3 million compared to a 1990 balance of $41.5 million. Capital financing raised during 1991 amounted to $97.6 million and was comprised principally of three sources: debenture proceeds, internal sources and provincial grants. Revenue in the Capital Fund rose 30.0% from 1990 levels due to proceeds of $32.6 million from a 1991 debenture issue. Contributions from the Current Fund and Reserves and Reserve Funds of $28.4 million, and provincial grants of $18.6 million, comprised 48.1% of all capital financing raised during the year. Other significant revenues to the Capital Fund in 1991 included $5.3 million in interest income and $9.3 million from billings to the City of Hamilton for road and sidewalk repairs.

Capital outlay in 1991 was marginally up by $1.6 million over the preceding year's figure of $93.2 million. Transportation related projects continue to consume the majority of the funds generated for capital

CAPITAL FUND
1991 Expenditures by Function

		($ Millions)
A	Environmental Services	25.4
B	Protection to Persons & Property	4.4
C	Planning & Development	2.0
D	General Government	1.9
E	Other	1.5
F	Transportation Services	59.6

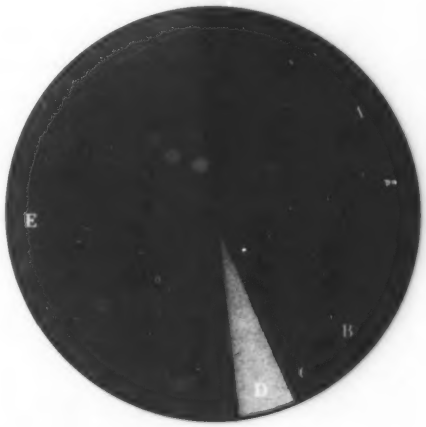
Source: Hamilton-Wentworth Finance Department

works making up $59.6 million, or 62.9% of all 1991 capital spending. The land acquisition, design and consulting costs for the Perimeter Road, and the Red Hill Creek Expressway construction costs were the biggest factors in the 1991 transportation costs. Projects of an Environmental Services nature ranked second in terms of capital funds expended, at $25.4 million or 26.8% of the 1991 total. A slowdown in residential construction activity impacted environmental expenditures, resulting in a 20.5% decrease in spending from 1990 to 1991. New and replacement sewer lines, maintenance costs for the Region's water and sewage treatment plants, a program to separate combined storm and sewer pipes, and upgrades to the Region's recycling system were some of the more expensive environmental projects being undertaken. Other expenditures in various functions amounting to $9.8 million made up the remainder of 1991 capital expenses, or 10.3% of the total. Highlighting capital funds expended here would be construction costs for a new Police building, engineering, marketing and land acquisition costs related to the Region's seven industrial parks, and funds spent on a Geographic Information System project called Parcils.

RESERVES AND RESERVE FUNDS

At the close of the 1991 fiscal year the Region's Reserves and Reserve Funds stood at $149.8 million. In 1991, revenue recorded in the Reserves and Reserve Funds fell to $48.3 million, a 5.3% decrease from 1990. The majority of revenue in the Reserves and Reserve Funds originates from the Current and Capital programs, a reflection of the Region's self financing policy. Contributions from the Current and Capital Fund accounts for $26.2 million or 54.2% of all 1991 revenue. Prudent investment decisions and an active portfolio management style enabled interest proceeds of $16.2 million to be earned, accounting for 33.4% of all revenue in 1991. Lot levies and development charge revenue decreased from $5.7 million in 1990, to $3.5 million in 1991, coinciding with the drop in residential and commercial development activity caused by the economic downturn. The utilization of reserves to finance current and capital programs is best illustrated by the fact that 90.4% of the total $25.8 million in 1991 reserve expenditures were for this purpose.

RESERVES AND RESERVE FUNDS
1991 Sources of Financing



		(Percent)
A	Interest Income	33.4
B	Development Charges	7.2
C	Capital Fund	2.7
D	Other	5.2
E	Current Fund	51.5

Source: Hamilton-Wentworth Finance Department

The Region's Reserves and Reserve Funds include $81.6 million set aside to finance capital programs, and $14.4 million for funding of expanded road and sewer infrastructures required as a result of new development.

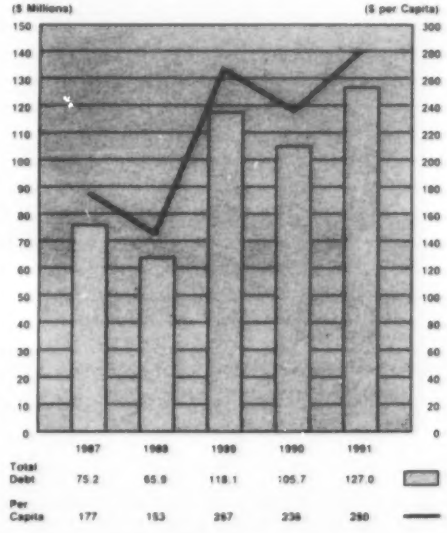
Other monies have been allocated for insurance costs, $9.6 million, replacement of equipment, $4.7 million, workers' compensation expenses, $4.7 million, and sick leave payments of $3.4 million.

DEBT MANAGEMENT

In 1991, The Regional Municipality of Hamilton-Wentworth issued Sinking Fund debentures for its own purposes amounting to $33.2 million. Of the total monies raised, $25.7 million will be used for various road projects, $6.1 million will finance the storm sewer rehabilitation program, and $1.4 million will go towards the construction of a new police building.

The Region's outstanding long term debt for 1991 increased $21.3 million or $44 per capita from the previous year. Although long term debt rose 20.2% from 1990 levels to $127.0 million, the debt load over the last five years has remained relatively steady in relation to overall corporate spending and debt capacity guidelines. Charges for long term debt as a percentage of current program spending has remained fairly constant, at 5.1% in 1991 compared to 5.3% in 1987. Based on Ontario Municipal Board guidelines, Hamilton-Wentworth has only utilized 16.1% of its possible debt capacity of $786.5 million, a percentage increase of less than 1% from the levels recorded five years ago.

OUTSTANDING DEBT



Source: Hamilton-Wentworth Finance Department

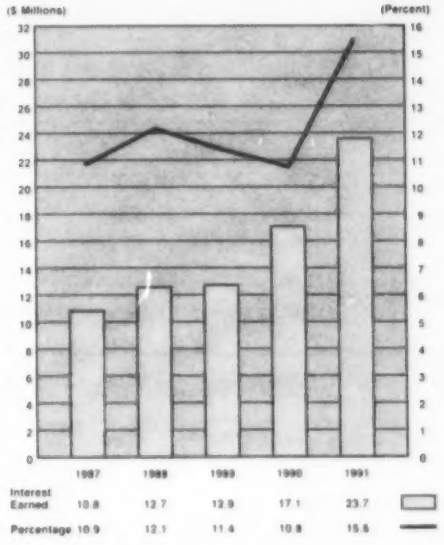
The stability of the Region's debt is to a large extent the result of Hamilton-Wentworth being one of the first Regional municipalities to adopt a Pay-As-You-Go Financing Policy. The ongoing rehabilitation of the Region's road and sewer infrastructure has necessitated some debenture financing in recent years. However, debt costs have remained manageable due to the combination of two factors, the Region's high credit rating and the implementation of a well planned long range financing strategy.

INVESTMENT MANAGEMENT

The Regional Municipality of Hamilton-Wentworth has an active investment portfolio whereby securities are bought and sold at selected points throughout the year as compared to holding securities from purchase until their eventual maturity. An active investment portfolio recognizes that bond prices are affected by a variety of factors such as inflation, money supply, and unemployment. Bond price volatility occurs when the actual economic statistics released differ from forecasted values. The Region's active management style has been very successful in the past and in fiscal 1991 in increasing investment returns by exploiting these market inefficiencies through a spread and term trading program.

In 1991, the Region's Investment Portfolio realized a 15.6% rate of return on an average net investment position of $152.0 million. Interest earnings of $18.4 million and realized capital gains of $5.3 million represented a 38.9% jump from 1990. These healthy 1991 realized returns are due in part to the Region increasing the average term of the portfolio by 2.05 years, to take advantage of lower interest rates. When adding in 1991 unrealized capital gains of $14.4 million generated from market fluctuations, the total return on the Region's Portfolio was $38.1 million or 25.1%. Of the total realized return, $3.9 million can be directly attributable to the Region's active portfolio management, since a passive Bond Fund would have earned a return between 1.6% to 2.6% less depending on its maturity structure.

HAMILTON-WENTWORTH
REALIZED INVESTMENT RETURN



Source: Hamilton-Wentworth Finance Department

The Region's investment policy specifies that only instruments with a relatively high credit rating may be purchased. This policy guarantees that the Hamilton-Wentworth Investment Portfolio will consist of low risk investments backed by either government, chartered bank or trust company securities. The Region has a conservative investment policy that limits the acquisition of corporate securities to those firms with a minimum double "A" credit rating. Additionally, the maximum investment in any one corporation has been restricted to no more than 5% of the total portfolio cost. At the end of 1991, the composition of the investment portfolio consisted of the following instruments: Government of Canada 24.5%, Provincial Governments 27.2%, Hamilton-Wentworth 4.3%, Other Canadian Municipalities 34.3%, Banks and Trust Companies 9.7%. Provincial Government and Municipal Debt made up 40.9% of the portfolio in 1990, compared to 61.5% in 1991. This increase was the result of a shift away from Government of Canada securities which offered lower rates of returns comparative to provincial and municipal debt. It is anticipated that a switch to higher yielding Bank and Corporate paper will occur in 1992 as the economy slowly improves.

At December 31, 1991 the Region's investments that cost $179.0 million, had a market value of $190.7 million. The Region's investment portfolio in terms of credit and term structure should be well positioned to take advantage of the expected further decreases in interest rates in 1992.

AUDITORS AND STAFF

In conclusion, I would like to express my appreciation to all members of the Department of Finance, management and staff of other regional departments, and our external auditors Ernst & Young. Only through the cooperation and efforts of these people could the Region achieve its goal of filing 1991 audited financial statements by February 28, 1992, two months ahead of the Province of Ontario deadline.

G.W. Lawson, CPFA, CGA
Treasurer & Commissioner of Finance

FIVE YEAR REVIEW

	1991 $	1990 $	1989 $	1988 $	1987 $
CURRENT PROGRAM ACTIVITY					
Surplus at the beginning of the year	2,149	2,667	3,462	1,514	1,534
Analysis of Revenue					
Property taxation	157,623	140,657	124,526	110,028	99,944
Direct charges to ratepayers	51,204	48,424	46,037	43,876	43,637
Provincial subsidies	175,602	133,061	109,270	99,976	95,643
Fees and service charges	52,832	53,902	48,099	42,625	40,697
Fees to other municipalities	12,600	12,451	12,164	13,733	9,478
Investment income	2,739	2,125	2,029	767	751
Other revenue	1,821	2,002	1,590	2,010	1,512
	454,504	392,622	343,715	313,015	291,662
Analysis of Expenditure					
Salaries and wages	176,299	161,761	144,300	130,154	122,115
Goods and services	112,943	106,775	96,111	81,492	71,747
Transfer payments	112,331	70,990	46,950	45,752	45,423
Debt charges	21,658	21,602	14,261	14,418	15,392
Net appropriations to reserves and reserve funds	15,151	15,596	16,704	13,163	13,673
Net appropriations to capital fund	16,139	16,416	26,184	26,088	23,332
	454,521	393,140	344,510	311,067	291,682
Surplus at the end of the year	2,132	2,149	2,667	3,462	1,514
Analysis of Expenditure by Function					
General government	16,984	14,353	13,545	11,016	7,830
Protection to persons and property	66,293	60,474	53,344	49,682	47,002
Transportation services	84,406	82,146	76,690	66,169	62,471
Environmental services	67,608	64,511	52,955	49,394	46,119
Health services	15,832	13,751	11,763	10,003	9,188
Social and family services	158,356	112,290	81,645	74,940	71,891
Recreation and cultural services	6,383	6,352	5,167	4,713	4,815
Planning and development	7,599	7,251	6,513	5,899	5,361
Net appropriations to reserves and reserve funds	15,151	15,596	16,704	13,163	13,673
Net appropriations to capital fund	16,139	16,416	26,184	26,088	23,332
	454,521	393,140	344,510	311,067	291,682

(UNAUDITED)

All amounts are in thousands of dollars

FIVE YEAR REVIEW (continued)

	[illegible]	1990	1989	1988	1987
	[illegible]	$	$	$	$
TAXABLE ASSESSMENT					
Residential and farm	[illegible]	838,277	809,377	780,682	757,704
Commercial and industrial	[illegible]	349,266	341,422	325,939	321,961
Business	[illegible]	158,288	156,063	153,383	151,510
	[illegible]	1,345,831	1,306,862	1,260,004	1,231,175
Commercial, industrial and business as a percentage of total	[illegible]	37.7%	38.1%	38.0%	38.5%
CAPITAL PROGRAM ACTIVITY					
Unexpended Capital Financing at the beginning of the year	[illegible]	59,586	24,563	14,289	14,767
Capital Financing					
Contributions from own funds	[illegible]	27,195	44,485	47,989	40,702
Long term liabilities	[illegible]	-	60,113	-	-
Ontario grants	[illegible]	27,212	20,710	25,714	15,519
Road billings	[illegible]	11,840	8,210	7,057	6,344
Subdivider contributions	[illegible]	419	664	567	603
Other	[illegible]	8,418	3,979	4,806	1,973
	[illegible]	75,084	138,161	86,133	65,141
Capital Expenditure by Function					
General government	[illegible]	1,153	405	1,409	485
Protection to persons and property	[illegible]	2,209	3,684	723	1,284
Transportation services	[illegible]	46,957	57,277	39,615	35,525
Environmental services	[illegible]	31,901	28,796	26,976	22,954
Health services	[illegible]	3,941	4,610	6,086	2,547
Social and family services	[illegible]	979	5,548	-	803
Recreation and cultural services	[illegible]	472	982	-	-
Planning and development	[illegible]	5,561	1,836	1,050	2,021
	[illegible]	93,173	103,138	75,859	65,619
Unexpended Capital Financing at the end of the year	[illegible]	41,497	59,586	24,563	14,289

(UNAUDITED)

All amounts are in thousands of dollars

FIVE YEAR REVIEW (continued)

	[illegible]	1990	1989	1988	1987
	$	$	$	$	$
LONG TERM DEBT					
Net Long Term Debt					
General	[illegible]	63,142	77,125	21,803	26,268
Regional enterprises	[illegible]	33,970	40,486	43,253	47,807
Reserves	[illegible]	8,570	485	881	1,177
	[illegible]	105,682	118,096	65,937	75,252
Ontario Municipal Board (OMB)					
Maximum Debt Guideline	[illegible]	528,097	522,844	481,545	494,218
Long Term Debt Issued					
As a Percentage of					
Maximum (OMB) Guideline	[illegible]	20.0%	22.6%	13.7%	15.2%
Charges for Net Long Term Debt					
General	[illegible]	13,711	6,325	6,214	6,382
Regional enterprises	[illegible]	7,892	7,936	8,203	9,010
Reserves	[illegible]	1,604	431	338	204
	[illegible]	23,207	14,692	14,755	15,596
Charges for Net Long Term Debt					
As a Percentage of Total					
Current Program Expenditure	[illegible]	5.9%	4.3%	4.7%	5.3%
FUND BALANCES					
Current fund surplus	[illegible]	2,149	2,667	3,462	1,514
Unexpended capital financing	[illegible]	41,497	59,586	24,563	14,289
Reserves	[illegible]	114,632	88,926	76,968	69,414
Reserve funds	[illegible]	12,584	9,613	8,467	8,469
	[illegible]	170,862	160,792	113,460	93,686

(UNAUDITED)

All amounts are in thousands of dollars

FIVE YEAR REVIEW (continued)

	1990	1989	1988	1987
	$	$	$	$
PER CAPITA INFORMATION				
Taxable assessment	3,007	2,954	2,919	2,895
Current expenditure	878	779	721	686
Capital expenditure	208	233	176	154
Net Long Term Debt				
General	141	174	51	62
Regional enterprises	76	92	100	112
Reserves	19	1	2	3
	236	267	153	177
Charges for Net Long Term Debt				
General	31	14	14	15
Regional enterprises	18	18	19	21
Reserves	3	1	1	1
	52	33	34	37
Fund Balances	382	363	263	220
STATISTICAL				
Population	447,635*	442,363*	431,615	425,243
Area in acres	280,764	280,764	280,764	280,764
Employees				
Continuous full-time	3,229	3,242	3,209	3,260
Part-time	438	740	632	587
Households	174,901*	172,580*	168,810	166,115

(UNAUDITED)

* Population and household figures are based on a trend analysis of the counts in previous years

Jackson Square Courtyard

Playing hockey at Cootes Paradise

Dundurn Castle

Consolidated Financial Statements
Trust Funds Financial Statements
Sinking Fund Financial Statements

for the year ended December 31, 1991

MANAGEMENT REPORT

The management of The Regional Municipality of Hamilton-Wentworth is responsible for the integrity and objectivity of the financial information and representations contained in the Consolidated Financial Statements and other sections of the Financial Report. The Consolidated Financial Statements which, in part, are based on informed judgements and estimates made by management within reasonable limits of materiality, have been prepared in accordance with the accounting principles disclosed in note (1) to the Consolidated Financial Statements, applied on a consistent basis. Financial information elsewhere in this Financial Report is consistent with that in the Consolidated Financial Statements.

To assist in carrying out their responsibility, management maintains an accounting system and related controls which will provide reasonable assurance that transactions are executed and recorded in accordance with their authorization, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements.

The Region's independent auditors, Ernst & Young, are engaged to express an opinion as to whether these Consolidated Financial Statements present fairly, in all material respects, the Region's financial position and operating results in accordance with the accounting principles disclosed in note (1) to the Consolidated Financial Statements. Their report is based on procedures they believe to be sufficient to support such an opinion.

G.W. Lawson, CPFA, CGA
Treasurer and Commissioner of Finance
February 28, 1992

AUDITORS' REPORT

ERNST & YOUNG

To the Chairman and Members of Council,
Inhabitants and Ratepayers of
**The Corporation of the Regional
Municipality of Hamilton-Wentworth**

We have audited the consolidated balance sheet of **The Corporation of the Regional Municipality of Hamilton-Wentworth** as at December 31, 1991 and the consolidated statement of operations for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of **The Corporation of the Regional Municipality of Hamilton-Wentworth** as at December 31, 1991 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the consolidated financial statements.

Ernst & Young

Hamilton, Canada
February 28, 1992

CHARTERED ACCOUNTANTS

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31	1990 $
ASSETS	
Unrestricted	
Investments (note 2)	139,064
User charges receivable	5,427
Accounts receivable	47,434
Other current assets	8,348
Investment in own debentures (note 2)	6,969
	207,242
Restricted	
Investments (note 2)	12,584
Capital Outlay	
Capital outlay to be recovered in future years	104,892
Loss on foreign exchange (note 5 (b))	790
	105,682
	325,508
LIABILITIES	
Temporary loans	6,366
Accounts payable and accrued liabilities	40,133
Other current liabilities	2,465
	48,964
Net long term liabilities (note 5)	105,682
FUND BALANCES	
Current fund, to be used to offset taxation in subsequent year (note 6 (a))	2,149
Unexpended capital financing (note 6 (a))	41,497
Reserves (note 7)	114,632
Reserve funds (note 7)	12,584
	325,508

All amounts are in thousands of dollars

The accompanying notes are an integral part of this financial statement

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31

	[illegible]	1990
	$	$
SOURCES OF FINANCING		
Taxation and user charges		
Residential and farm taxation	[illegible]	87,798
Commercial, industrial and business taxation	[illegible]	52,859
Water billings	[illegible]	21,841
Sewer surcharge	[illegible]	26,583
Transit fares	[illegible]	21,810
Other user charges	[illegible]	46,285
	[illegible]	257,176
Grants		
Government of Canada	[illegible]	1,983
Province of Ontario	[illegible]	160,273
	[illegible]	162,256
Other		
Proceeds from the issue of long term liabilities	[illegible]	-
Investment income	[illegible]	16,913
Road billings	[illegible]	11,840
Lot levies and subdivider contributions	[illegible]	6,110
Miscellaneous	[illegible]	12,081
	[illegible]	46,944
REGIONAL FUND BALANCES AT THE BEGINNING OF THE YEAR (Note 6)		
Current operating fund, to be used to offset taxation	[illegible]	2,667
Unexpended capital financing	[illegible]	59,586
TOTAL FINANCING AVAILABLE DURING THE YEAR	[illegible]	528,629

The accompanying notes are an integral part of this financial statement

CONSOLIDATED STATEMENT OF OPERATIONS (continued)

	[illegible]	1990
	$	$
APPLIED TO		
Current operations		
General government	17,306	15,310
Protection to persons and property	66,383	60,498
Transportation services	84,402	82,225
Environmental services	67,608	64,511
Health services	15,632	13,751
Social and family services	158,356	112,290
Recreation and cultural services	6,380	6,352
Planning and development	7,559	7,251
	423,595	362,188
Capital operations		
General government	1,456	1,154
Protection to persons and property	4,402	2,209
Transportation services	69,751	47,989
Environmental services	26,374	32,756
Health services	289	3,941
Social and family services	158	979
Recreation and cultural services	1,127	472
Planning and development	2,007	4,618
	95,564	94,118
Net appropriations to reserves and reserve funds	29,573	28,677
REGIONAL FUND BALANCES AT THE END OF THE YEAR (Note 6)		
Current operating fund, to be used to offset taxation	2,132	2,149
Unexpended capital financing	44,296	41,497
TOTAL APPLICATIONS DURING THE YEAR	594,560	528,629

All amounts are in thousands of dollars

SCHEDULE OF CURRENT OPERATIONS

YEAR ENDED DECEMBER 31

	1991 Budget $	1991 Actual $	1990 Actual $
REVENUE			
Taxation and user charges			
Residential and farm taxation	97,188	98,514	87,798
Commercial, industrial and business taxation	58,312	59,109	52,859
Water billings	23,390	24,007	21,841
Sewer surcharge	25,228	26,517	26,583
Transit fares	23,018	21,579	21,810
Other user charges	46,073	43,878	44,543
Grants			
Government of Canada	875	1,050	979
Province of Ontario	165,545	175,662	133,061
Other			
Investment income	2,413	2,739	2,125
Miscellaneous	713	771	1,023
	442,755	454,504	392,622
EXPENDITURE			
General government	19,510	16,994	14,353
Protection to persons and property	66,543	66,239	60,474
Transportation services	87,672	84,406	82,146
Environmental services	69,245	67,608	64,511
Health services	15,346	15,030	13,751
Social and family services	147,415	138,356	112,290
Recreation and cultural services	6,426	6,388	6,352
Planning and development	7,596	7,359	7,251
NET APPROPRIATIONS TO OTHER FUNDS			
Reserves and reserve funds	7,554	15,155	15,596
Capital fund	17,597	16,596	16,416
	444,904	434,731	393,140
SURPLUS AT THE BEGINNING OF THE YEAR	2,149	2,149	2,667
SURPLUS AT THE END OF THE YEAR	-	2,122	2,149

(UNAUDITED)

All amounts are in thousands of dollars

Budget amounts reflect Council approved amendments during the year

SCHEDULE OF CAPITAL OPERATIONS

YEAR ENDED DECEMBER 31

	1991 $	1990 $
SOURCE OF FUNDS		
Grants		
Province of Ontario	18,598	27,212
Government of Canada	100	1,004
Proceeds from the issue of long term liabilities	32,639	-
Other		
Investment income	5,274	4,895
Road billings	9,282	11,840
Subdivider contributions	1,067	419
Local improvement recoveries	980	1,170
Rental income	539	572
Sale of fixed assets	39	472
Other	722	305
NET APPROPRIATIONS FROM OTHER FUNDS		
Current fund	16,139	16,416
Reserves and reserve funds	12,252	10,780
	97,620	75,085
EXPENDITURE		
General government	1,836	1,154
Protection to persons and property	4,402	2,209
Transportation services	59,623	46,957
Environmental services	25,362	31,901
Health services	288	3,941
Social and family services	135	979
Recreation and cultural services	1,127	472
Planning and development	2,007	5,561
	94,821	93,174
UNEXPENDED CAPITAL FINANCING AT THE BEGINNING OF THE YEAR	41,497	59,586
UNEXPENDED CAPITAL FINANCING AT THE END OF THE YEAR	44,296	41,497

(UNAUDITED)

All amounts are in thousands of dollars

RESERVES AND RESERVE FUNDS SCHEDULE OF CONTINUITY

YEAR ENDED DECEMBER 31

	[illegible]	1990
	$	$
RESERVES AND RESERVE FUNDS AT THE BEGINNING OF THE YEAR	127,216	98,539
REVENUE		
Contributions from the current fund	24,985	23,706
Contributions from the capital fund	1,305	1,483
Contributions from developers	3,459	5,691
Investment income	16,156	9,893
Sale of fixed assets	-	465
Other	2,501	9,816
	48,346	51,054
EXPENDITURE		
Transfers to the current fund	9,754	8,110
Transfers to the capital fund	13,557	12,263
Charges for long term liabilities	1,356	1,604
General	906	400
	25,773	22,377
RESERVES AND RESERVE FUNDS AT THE END OF THE YEAR	149,789	127,216

(UNAUDITED)

All amounts are in thousands of dollars

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1991

1. ACCOUNTING POLICIES

The Consolidated Financial Statements of the Corporation of The Regional Municipality of Hamilton-Wentworth are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

(a) Basis of Consolidation

(i) The Consolidated Financial Statements reflect the assets, liabilities, sources of financing and expenditure of the Current Fund, Capital Fund, Reserves and Reserve Funds and includes the activities of all committees of Council and the following local boards and Regional enterprises which are under the control of Council:

Wentworth Library Board
Hamilton-Wentworth Police Services Board
Homes for the Aged - Macassa Lodge
Homes for the Aged - Wentworth Lodge
The Hamilton Street Railway Company
Safety Services and Adjusters Limited
Canada Coach Lines Limited
Hamilton Region Airport Management Board

All interfund assets and liabilities and interfund revenue and expenditure have been eliminated in the consolidated statements.

(ii) The financial activities of certain entities are not consolidated. The Region's contributions to those entities are recorded in the Consolidated Statement of Operations. Those entities which are not consolidated are as follows:

Hamilton Civic Hospitals
Royal Botanical Gardens
Children's Aid Societies
Conservation Authorities
Disabled and Aged Regional Transit System
Hamilton-Wentworth Retirement Funds
Transit Employees Pension Plans

(iii) Regionally administered programs which are fully funded by the Province of Ontario on the basis of a March 31 year end are excluded from these statements. Those programs which are not consolidated are as follows:

Mental Health Promotion
Drug and Alcohol Assessment
Child and Adolescent Services

(iv) Trust Funds and their related operations administered by the Region are not consolidated but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

(v) Sinking Fund and its related operations administered by the Region are not consolidated but are reported separately on the Sinking Fund Statement of Continuity and Balance Sheet.

(b) Basis of Accounting

(i) Accrual Accounting

Sources of financing and expenditure are reported on the accrual basis of accounting with the exception of principal charges on long term liabilities, vested sick leave benefits and contributions to defined benefit pension plans, all of which are charged to operations in the periods in which they are paid.

The accrual basis of accounting recognizes revenue as it is earned and measurable ; expenditure is recognized as it is incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded

DECEMBER 31, 1991

1. ACCOUNTING POLICIES (continued)

for municipal purposes. Fixed assets are reported in the year of acquisition as an expenditure on the Consolidated Statement of Operations.

(iii) Capital Outlay to be Recovered in Future Years

Capital outlay to be recovered in future years represents the outstanding principal portion of unmatured long term liabilities and is reported on the Consolidated Balance Sheet.

(iv) Investments

Investments are recorded at cost including any unamortized discount or premium. The discount or premium is amortized using the straight line method over the life of the investments.

(v) Foreign Currency Translation

Long term liabilities denominated in foreign currency are translated into Canadian dollars at the rate of exchange prevailing at the year end. Any resulting gain or loss on translation is recorded on the Consolidated Balance Sheet as a capital outlay.

2. INVESTMENTS

	1990 $ (000's)
Unrestricted investments	139,064
Investment in own debentures	6,969
Restricted investments (reserve funds)	12,584
	158,617

The total investments listed above have a market value of $190,707,000 (1990 - $155,607,000).

Of the total investments, $4,785,000 (1990 - $5,632,000) represents the U.S. denominated investment of $4,100,000 (1990 - $4,930,000 U.S.), guaranteed by the Province of Alberta. This bond was purchased as a hedge against potential currency fluctuations experienced on the U.S. denominated long term debt.

3. PENSION AGREEMENTS

(a) Ontario Municipal Employees Retirement System

The Region makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of approximately 3,000 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The Region's share of contributions to OMERS for 1991 was $6,442,000 (1990 - $5,777,000) for current service and is included as an expenditure on the Consolidated Statement of Operations.

(b) Other Pension Plans

Approximately 800 employees of the Region are members of various defined benefit pension plans and will be future beneficiaries under their terms and conditions. The amount contributed to these plans for current service in 1991 amounted to $253,000 (1990 - $236,000) and is included as an expenditure on the Consolidated Statement of Operations.

Based on the most recent reports from an independent actuary, the plans have assets and obligations of $152,146,000 and $151,104,000 respectively. Pension Plan assets are valued on a five year market value moving average basis. The obligation represents the sum of the present value of all prospective benefits.

At the year end, the actuarial reports indicate that these pension plans are fully funded.

(c) Retirement Plan

A retirement plan for Councillors was approved by Regional Council in 1985. An amount of $40,000 (1990 - $38,000) has been provided for current service and is included as an expenditure on the Consolidated Statement of Operations.

DECEMBER 31, 1991

3. PENSION AGREEMENTS (continued)

Based on the most recent report from an independent actuary, the plan has assets and obligations of $741,000 and $462,000 respectively. At the year end, the actuarial report indicates that the Retirement Plan is fully funded.

4. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Region's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination is as follows:

	1990 $ (000's)
Police Services Board employees	9,973
Other Regional employees	3,531
	13,504

Two reserves have been established to provide for the past service liability and are reported on the Consolidated Balance Sheet. The total of these reserves at the end of the year is $3,390,000 (1990 - $3,936,000). An amount of $1,327,000 (1990 - $752,000) was paid to employees who left the Region's employment during the current year.

Anticipated payments over the next five years to employees who will be eligible to retire are:

	$
1992	70,000
1993	131,000
1994	220,000
1995	132,000
1996	315,000
	868,000

5. NET LONG TERM LIABILITIES

(a) In addition to long term liabilities incurred directly, the Region has assumed the responsibility for the charges on debt originally incurred by local municipalities in respect of functions which are now a Regional responsibility.

As well as incurring long term liabilities for Regional purposes, the Region also incurs long term liabilities on behalf of the Area Municipalities and School Boards. The responsibility for raising the amounts required to service this debt lies with the respective Area Municipalities and School Boards.

The Region is contingently liable for long term liabilities with respect to tile drainage and shoreline property assistance loans, and for debentures for which the responsibility for the payment of principal and interest has been assumed by Area Municipalities, School Boards and unconsolidated local boards, municipal enterprises, and utilities. The total amount of this contingent liability outstanding as at December 31, 1991 is $141,537,000 (1990 - $103,664,000) and is not reported on the Consolidated Balance Sheet. Approval of the Ontario Municipal Board has been obtained for the long term liabilities issued in the name of the Region.

(b) The balance of net long term liabilities reported on the Consolidated Balance Sheet is made up of the following:

	1990 $ (000's)
Long term liabilities incurred by the Region	199,055
Long term liabilities incurred by others for which the Region has assumed responsibility	18,853
Long term liabilities incurred by the Region for which other governments have assumed responsibility	(103,664)
Sinking Fund and Ministry of the Environment debt retirement fund accumulated to the end of the year to retire the Region's related long term liabilities	(8,562)
	105,682

DECEMBER 31, 1991

5. NET LONG TERM LIABILITIES (continued)

Included in "Net long term liabilities" on the Consolidated Balance Sheet is an amount of $3,971,000 (1990 - $4,477,000) payable in U.S. dollars, which is translated into Canadian dollars at the rate of exchange prevailing at the year end. If the liability were converted into Canadian dollars at the rate of exchange prevailing when the liability was incurred, there would be a loss of $709,000 (1990 - $790,000) on exchange. To minimize this foreign currency exchange exposure, the Region has purchased U.S. investments guaranteed by the Province of Alberta as a hedge against this currency exposure. (see note 2)

(c) Of the net long term liabilities certain principal payments do not represent a burden on general Regional revenue, as they are to be recovered in future years from other sources. The total principal payments for the periods 1992 to 1996, 1997 to 2001, and 2002 and thereafter and the source of financing are summarized as follows:

	1992 to 1996 $ (000's)	1997 to 2001 $ (000's)	2002 and thereafter $ (000's)	Total Outstanding Debt Dec. 31 1990 $ (000's)
Benefitting landowners	2,236	-	-	2,806
Water rates	6,350	869	-	9,766
Sewer rates	6,768	4,688	8,537	21,398
Reserves	3,816	2,736	1,134	8,570
General revenue	36,118	30,721	23,040	63,142
	55,288	39,014	32,711	105,682

6. FUND BALANCES - CURRENT AND CAPITAL FUND

(a) Current and capital fund balances on the Consolidated Statement of Operations of $2,132,000 (1990 - $2,149,000) and $44,296,000 (1990 - $41,497,000) respectively consist of the following:

	1990 $ (000's)
Funds Available for Current Expenditure	
For general reduction of taxation	2,149
Funds Available for Capital Expenditure	84,769
Capital expenditures yet to be financed from:	
Current fund	(6,397)
Long term liabilities	(5,346)
Reserves and reserve funds	(8,093)
Subsidies, owner's share locals, land sales	(23,436)
Net unexpended capital financing	41,497

(b) The balance available for the general reduction of taxation for the fiscal year ending December 31, 1991 has been decreased by an amount to the General Welfare Assistance, Winter Control and Contingency Reserves of $1,179,000 (1990 - increased $1,636,000) in accordance with the Finance Policies approved by Regional Council.

7. FUND BALANCES - RESERVES AND RESERVE FUNDS

The total balances of reserves and reserve funds consist of the following:

	1990 $ (000's)
Reserves set aside for specific purposes by Council	
Capital programs	62,586
Self insurance	8,764
Tax and rate stabilization	8,761
Working funds	4,597
Replacement of equipment	3,702
Workers' Compensation	4,236
Sick leave liability	3,936
Debt retirement	4,360
Other	13,690
	114,632
Reserve funds set aside for specific purposes by legislation	
Lot levies	12,437
Development charges	147
	127,216

DECEMBER 31, 1991

8. CHARGES FOR NET LONG TERM LIABILITIES

(a) Total charges for the year for net long term liabilities which are reported on the Consolidated Statement of Operations were as follows:

	1990 $ (000's)
Principal payments including contributions to Sinking Fund and to the Ministry of the Environment debt retirement fund	11,673
Interest	11,534
	23,207

(b) Total charges for the year for net long term liabilities were recovered as follows:

	1990 $ (000's)
General	13,711
Regional enterprises	7,892
Reserves	1,604
	23,207

9. CONTINGENT LIABILITIES

(a) Pursuant to the Workers' Compensation Act, the Region is liable for all compensation related to this Act. An amount of $4,64 6,000 (1990 - $4,236,000) has been provided for this liability and is reported on the Consolidated Balance Sheet as a reserve. Payments charged against operations in the current year amounted to $1,457,000 (1990 - $932,000).

(b) In 1987, the Ontario Municipal Board ruled in favour of an assessment appeal by Dofasco Inc. which could require the Region to repay an amount of approximately $4,800,000 for the years 1984 through to 1991.

This order was appealed to the Divisional Court of Ontario which upheld the appeal and referred the matter back to the Ontario Municipal Board. However, the Divisional Court allegedly misdirected the Ontario Municipal Board on the approach to take in reconsidering the assessment. As a result, the Region, the Corporation of the City of Hamilton, and the Regional Assessment Commissioner have appealed the decision to the Ontario Court of Appeal.

The Court heard the appeal in February 1992 and has reserved judgement. The ruling is expected in 1992 with the ultimate resolution by the Ontario Municipal Board expected in 1993.

Sufficient funds have been provided in the Tax Stabilization Reserve for any potential liability under this claim.

(c) A Statement of Claim was served on the Region in 1990 as a result of an alleged failure on the part of the Region to fulfil its obligation under an option to lease land for the purpose of developing it into an Air Cargo Maintenance facility. The claim is for approximately $10,000,000. The liability for this claim, if any, cannot be determined at this time.

(d) A Statement of Claim was served on the Region in 1989 as a result of an alleged failure on the part of the Region to fulfil its obligations pursuant to a combined Offer to Lease and Lease relating to a proposed new Regional Headquarters Building. The claim is for approximately $60,000,000. The liability for this claim, if any, cannot be determined at this time.

(e) Other legal actions are outstanding against the Region as of December 31, 1991. The potential total liability resulting from these actions are not significant and are adequately covered by the Insurance reserve.

10. CONTRACTUAL OBLIGATIONS

(a) The Region has agreements with the Ministry of the Environment, Ontario Housing Assistance Program and Ontario Land Corporation for various capital projects. The outstanding future obligations under these agreements amount to $13,071,000 (1990 - $13,311,000). The source of funds for future payments under these agreements will be through the Region's capital budget and related capital financing plan.

(b) The Region has outstanding contractual obligations of approximately $38,008,000 (1990 - $42,476,000) for capital works. Regional

DECEMBER 31, 1991

10. CONTRACTUAL OBLIGATIONS (continued)

Council has authorized the financing of these obligations.

(c) The Region has executed lease agreements requiring annual payments chargeable to future years as they become due and payable. The only agreements of any significance are those for administrative office space. The minimum lease payments for these leases over the next five years and thereafter are as follows:

	$ (000's)
1992	2,194
1993	1,799
1994	1,717
1995	501
1996	309
1997 and thereafter	1,381
	7,901

These payments do not reflect the anticipated renewals for leases expiring during this period.

(d) The Region has entered into a loan agreement with the Hamilton Civic Hospitals to provide financing of up to $8,000,000, for the construction of a parking ramp. The agreement calls for the Region to provide funds to the Hospital as construction progresses. As at December 31, 1991, no funds have been provided under this agreement.

(e) The Region has entered into an agreement with Laidlaw Waste Systems Ltd. for the disposal of the Region's solid waste. The agreement escalates by the application of an annual inflation factor. The cost for 1991 was $10,129,000 (1990 - $10,076,000). The agreement expires December 31, 1995.

11. PUBLIC LIABILITY INSURANCE

The Region has undertaken a portion of the risk for public liability, as a means of achieving efficient and cost effective risk management. As a result, the Region is self insured for public liability claims up to $2,000,000 for any individual claim or for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits to a maximum of $10,000,000 per claim per occurrence.

The Region has a reserve for Committed Self Insurance Claims which as at December 31, 1991 amounted to $3,520,000 (1990 - $3,050,000) and is reported in the Consolidated Balance Sheet under Reserves. Claims settled for the year of $988,000 (1990 - $398,000) are reported as an expenditure in the Consolidated Statement of Operations.

In addition, the Region maintains a general Uncommitted Insurance Reserve which amounted to $6,059,000 as at December 31, 1991 (1990 - $5,714,000). This reserve can be used to supplement the Self Insurance Reserve for potential cost overruns arising from unforseen claim awards and unanticipated premium increases.

Management estimates that the reserves are sufficient to cover the Region's liability for any unsettled claims.

12. TRUST FUNDS

Trust funds in the amount of $2,827,000 (1990 - $2,390,000) and their related operations administered by the Region are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

13. SINKING FUND

Sinking Fund in the amount of $33,300,000 (1990 - $21,165,000) and its related operations administered by the Region is not consolidated, but is reported separately on the Sinking Fund Statement of Continuity and Balance Sheet.

14. BUDGET FIGURES

Budgets established for the Capital Fund, Reserves and Reserve Funds are on a project oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the Consolidated Statement of Operations.

15. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation adopted in 1991.

TRUST FUNDS - AUDITORS' REPORT

ERNST & YOUNG

To the Chairman and Members of Council,
Inhabitants and Ratepayers of
**The Corporation of the Regional
Municipality of Hamilton-Wentworth**

We have audited the balance sheet of the Trust Funds of **The Corporation of the Regional Municipality of Hamilton-Wentworth** as at December 31, 1991, and the statement of continuity for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of **The Corporation of the Regional Municipality of Hamilton-Wentworth** as at December 31, 1991 and the changes in its fund balances for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements.

Ernst & Young

Hamilton, Canada
February 28, 1992

CHARTERED ACCOUNTANTS

TRUST FUNDS - BALANCE SHEET

AS AT DECEMBER 31

	Macassa Lodge Trusts	Wentworth Lodge Trusts	Wentworth Lodge Heritage Trust	Total 1990
ASSETS	**$**	**$**	**$**	**$**
Investments				
Cash and short term deposits	1,193,720	1,075,632	122,335	2,291,184
Long term securities	1,000	1,690	-	80,563
Due from the Region	251,620	181,264	-	18,534
	1,446,340	1,258,586	122,335	2,390,281
FUND BALANCE	1,446,340	1,258,586	122,335	2,390,281

TRUST FUNDS - STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31

	Macassa Lodge Trusts	Wentworth Lodge Trusts	Wentworth Lodge Heritage Trust	Total 1990
	$	**$**	**$**	**$**
FUND BALANCE AT THE BEGINNING OF THE YEAR	1,279,261	1,111,020	-	2,386,078
Receipts				
Residents' deposits	2,617,383	1,831,109	-	4,032,130
Donations	-	-	114,858	-
Investment income	110,871	104,300	7,477	302,418
Other	7,145	-	-	14,146
	2,735,399	1,935,409	122,335	4,348,694
Disbursements				
Maintenance payments	2,049,588	1,352,063	-	3,113,840
Residents' charges	440,090	342,418	-	703,940
Payments to estates	70,619	67,313	-	520,268
Payments on discharge	-	18,572	-	6,443
Other	8,023	7,477	-	-
	2,568,320	1,787,843	-	4,344,491
FUND BALANCE AT THE END OF THE YEAR	1,446,340	1,258,586	122,335	2,390,281

The accompanying notes are an integral part of these financial statements

TRUST FUNDS - NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

1. PURPOSE OF TRUST FUNDS

The various Trust Funds administered by the Region are established for the following purposes :

Macassa and Wentworth Lodge Trusts

These Trust Funds are established for residents to receive their funds and to pay for their various charges including monthly maintenance payments. A resident may direct a portion of these funds to a separate account to provide for any funeral or burial cost.

Wentworth Lodge Heritage Trust

The Wentworth Lodge Heritage Trust was established for the receipt of funds from donations and fund raising activities. The funds are to be used for the benefit of Wentworth Lodge residents over and above normal capital and operating expenses of the Lodge.

2. ACCOUNTING POLICIES

The Financial Statements of the Trust Funds of the Corporation of The Regional Municipality of Hamilton-Wentworth are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs.

These financial statements are reported on the modified accrual basis. Under this basis of accounting, accruals are made for any receipts or disbursements in the month following the year end which relate to the current year.

3. INVESTMENTS

The total for investments by the Trust Funds of $2,394,000 (1990 - $2,372,000) reported at cost, have a market value of $2,429,000 (1990 - $2,371,000).

4. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation adopted in 1991.

SINKING FUND - AUDITORS' REPORT

ERNST & YOUNG

To the Chairman and Members of Council,
Inhabitants and Ratepayers of
The Corporation of the Regional
Municipality of Hamilton-Wentworth

We have audited the balance sheet of **The Corporation of the Regional Municipality of Hamilton-Wentworth** Sinking Fund as at December 31, 1991 and the statement of continuity for the year then ended. These financial statements are the responsibility of the Sinking Fund Committee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Sinking Fund of **The Corporation of the Regional Municipality of Hamilton-Wentworth** as at December 31, 1991 and the changes in its fund balances for the year then ended in accordance with the accounting policies disclosed in note 1 to the financial statements.

Ernst & Young

Hamilton, Canada
February 28, 1992

CHARTERED ACCOUNTANTS

SINKING FUND - BALANCE SHEET

AS AT DECEMBER 31

	1990 $
ASSETS	
Cash	95,513
Investments at amortized cost (Note 2)	21,049,948
Accrued interest	19,645
Due from The Regional Municipality of Hamilton-Wentworth	-
	21,165,106
LIABILITIES	
Due to The Regional Municipality of Hamilton-Wentworth	29,610
Actuarial requirements	20,361,478
FUND BALANCE	774,018
	21,165,106

SINKING FUND - STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31

	1990 $
FUND BALANCE AT THE BEGINNING OF THE YEAR	377,029
REVENUE	
Sinking fund levies	9,141,838
Investment income	1,485,026
	10,626,864
EXPENDITURE	
Provision for actuarial requirements	10,229,875
FUND BALANCE AT THE END OF THE YEAR	774,018

The accompanying notes are an integral part of these financial statements

SINKING FUND - NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

1. ACCOUNTING POLICIES

The financial statements of the Corporation of The Regional Municipality of Hamilton-Wentworth Sinking Fund have been prepared by the Treasurer of the Sinking Fund Committee in accordance with generally accepted accounting principles.

(a) Investments

All investments are recorded at cost adjusted annually for the amortization of discount or premium on the basis of the effective yield method as determined at the date of purchase. The amount of such amortization is included in investment income on the Statement of Continuity.

(b) Actuarial Requirements

The actuarial requirements of the Sinking Fund provision for the year represent the present value of the obligation to repay Sinking Fund Debentures. These amounts are levied during the year as set out in The Regional Municipality of Hamilton-Wentworth debenture by-laws plus interest thereon capitalized at a rate of 8% compounded semi-annually.

(c) Fund Balance

When funds accumulated in surplus for debentures issued under any specific by-law exceed the actuarial requirements, such excess shall be distributed in accordance with the provisions of subsection 42 of section 114 of The Regional Municipality of Hamilton-Wentworth Act. This excess may be appropriated and refunded to the Sinking Fund contributors subject to prior approval by the Ontario Municipal Board.

The total surplus accumulated in each by-law cannot be transferred to meet the requirements of another by-law, as the conditions, terms and participants are different for each by-law.

2. INVESTMENTS

The amortized cost, maturity and market values of investments held at December 31 are as follows :

	By-law R85-064 $	By-law R88-016 $	By-law R89-133 $	By-law R89-198 $	Total [illegible] $	Total 1990 $
Debentures issued or guaranteed by :						
Government of Canada	72,098	-	-	-	[illegible]	5,853,537
Province of Quebec	1,648,002	2,383,274	-	-	[illegible]	3,932,007
Province of Saskatchewan	1,921,549	-	611,266	-	[illegible]	1,552,367
Province of British Columbia	-	-	866,607	1,447,284	[illegible]	941,491
Province of Manitoba	1,203,731	702,351	-	-	[illegible]	-
Regional Municipality of Hamilton-Wentworth	216,697	-	-	-	[illegible]	215,915
Regional Municipality of Durham	184,828	-	-	-	[illegible]	192,960
Regional Municipality of Waterloo	-	-	-	2,297,677	[illegible]	2,063,658
Ontario Hydro	7,939,841	2,353,673	1,997,709	2,995,777	[illegible]	4,360,992
Quebec Hydro	890,381	-	-	-	[illegible]	501,202
Nova Scotia Power Corporation	-	226,007	-	-	[illegible]	203,061
Royal Bank of Canada	-	-	-	-	-	1,232,758
Canadian Pacific Securities Ltd.	-	1,423,295	-	-	[illegible]	-
Bell Canada	-	-	-	1,857,005	[illegible]	-
Amortized Cost	14,077,127	7,088,600	3,475,582	8,597,743	[illegible]	21,049,948
Maturity Value	19,815,896	14,345,875	7,533,225	28,877,950	[illegible]	44,842,627
Market Value	15,011,213	8,055,266	3,924,077	9,759,794	[illegible]	21,284,914

SINKING FUND - NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

3. BY-LAW TERMS AND CONDITIONS

The Sinking Fund provision represents amounts required which, together with interest compounded semi-annually, will be sufficient to retire the debentures issued under Region by-laws R85-064, R88-016, R89-133 and R89-198. Payments are collected in various amounts from the Area Municipalities and School Boards by way of levies from the Region.

The debentures issued under Region by-laws R88-016, R89-133 and R89-198 are retractable at the option of the debenture holder prior to maturity. The retraction dates for Region by-laws R88-016 and R89-133 will occur on March 1, 1993 and August 1, 1994 respectively. By-law R89-198 contains two retraction dates on December 7, 1994 and December 7, 1999.

	By-law R85-064	By-law R88-016	By-law R89-133	By-law R89-198
	$	$	$	$
Annual deposit for principal	1,725,737	1,932,826	1,568,900	3,914,375
Deposit for annual interest	2,687,500	-	1,950,000	7,687,500
First five years	-	2,730,000	-	-
Second five years	-	2,800,000	-	-
Term	10 years	10 years	10 years	15 years
Maturity date	July 23, 1995	March 1, 1998	August 1, 1999	December 7, 2004
Participants' share	%	%	%	%
City of Hamilton	56.0	87.7	34.0	6.2
City of Stoney Creek	5.6	-	-	13.7
Town of Dundas	4.6	4.0	2.1	.8
Town of Flamborough	1.1	.4	-	-
Town of Ancaster	-	-	-	1.3
Regional Municipality of Hamilton-Wentworth	32.7	-	63.9	65.2
Wentworth County Board of Education	-	7.9	-	7.0
Hamilton Board of Education	-	-	-	5.8
	100.0	100.0	100.0	100.0

4. ADMINISTRATION COSTS

All costs of administration have been borne by The Regional Municipality of Hamilton-Wentworth.

5. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation adopted in 1991.

REPORTING ENTITY AND SERVICES PROVIDED

All funds and entities under the control of the Region's elected Council as defined by the Hamilton-Wentworth Act are included in the Consolidated Financial Statements found in this annual report. The act gives the Region broad powers over areas considered to be of Regional concern, and specifically removes those areas of responsibility from the local municipalities. The division of responsibility between the Region and the Area Municipalities is based on the principle of exclusion. That is, if the Region does not have exclusive responsibility, then the Area Municipality may take action in that field.

Based on the foregoing criteria, the following funds, local boards and Regional enterprises are included in the Consolidated Financial Statements :

Funds

Revenue (Current) Fund
Capital Fund
Reserves and Reserve Funds

Local Boards

Wentworth Library Board
Hamilton-Wentworth Police Services Board
Hamilton Region Airport Management Board

Regional Enterprises

Homes for the Aged - Macassa Lodge
Homes for the Aged - Wentworth Lodge
The Hamilton Street Railway Company
Safety Services and Adjusters Limited
Canada Coach Lines Limited

FUNDS

The Regional Municipality of Hamilton-Wentworth summarizes all financial transactions and balances including those of its local boards and enterprises into three separate funds.

The Revenue Fund is used to account for the current day-to-day operations of the Region. The costs associated with an extensive range of municipal services provided to the Region's residents will be recorded in this fund. The resources to finance these activities will come from a greater number of sources and be more varied than any other fund. Tax levies on the Area Municipalities, service and user fees, provincial subsidies and contributions from reserves are the main revenue sources.

The Capital Fund accounts for the receipt and disbursement of significant funds used for the acquisition, construction or improvement of land, roads, equipment and buildings. The activities in this fund will result in benefits to the Region lasting beyond one year. All transactions financed through debenture issues are to be recorded in the Capital Fund. Capital expenditures may also be financed from provincial subsidies, prepaid special charges or through transfers from the Revenue Fund and Reserves and Reserve Funds.

The Reserves and Reserve Funds represent amounts set aside either voluntarily or because of a legal obligation. Reserves are established by Council to cover known future expenditures such as vehicle or building replacement, insurance and employee sick leave pay outs, and capital financing. The term Reserve Funds is used to account for those monies collected through lot levies and development charges from subdividers. The funds segregated here are governed either by Regional Council directives defining their purpose or through provincial legislation. Sources of financing are primarily from budgetary contributions from the Revenue Fund plus interest earned on the fund balances.

LOCAL BOARDS

The Wentworth Library Board directs the operations of the public library services in the Region other than the City of Hamilton and the Town of Dundas, which have their own library boards. Regional Council appoints four members of council to the Board, one from each of the four municipalities served. The Region also provides funding, accounting, treasury and legal services to the Board.

The Police Services Board is comprised of two Regional Councillors and three provincial appointees. The Board makes regulations concerning the management, direction and operation of the Hamilton-Wentworth Regional Police. It is responsible to the Ontario Police Commission and is governed by the Police Act. The Board prepares its own budget, which cannot be changed by Regional Council without the concurrence of the Ontario Police Commission.

The Hamilton Region Airport Management Board consisting of six Regional Councillors and six citizen appointees is responsible for managing the Region's airport located in the Township of Glanbrook. The

Board must administer the airport according to the corporate and fiscal policies of Hamilton-Wentworth, prepare an annual operating and capital budget, and report annually to Regional Council. The Region provides the board with accounting, banking and investment management services.

REGIONAL ENTERPRISES

The Hamilton-Wentworth Region enterprises represent operations that are financed and operated in a manner similar to a private business, where the intent is that the cost of providing the services on a continuing basis be financed or recovered at least partially through user charges.

The regional public transit system is owned and operated by The Regional Municipality of Hamilton-Wentworth through The Hamilton Street Railway Company, and its wholly owned subsidiaries Canada Coach Lines Limited and Safety Services and Adjusters Limited. The Hamilton Street Railway Company provides local passenger transportation services to the City of Hamilton, the City of Stoney Creek, and the towns of Ancaster and Dundas. In addition to transit fares and a provincial operating subsidy, the Region imposes a tax levy on the City of Hamilton to help finance the cost of this service, while the municipalities of Stoney Creek, Ancaster, and Dundas are billed on a user fee basis. The Canada Coach Lines Limited operates an inter-urban transit service to other cities, charters, and sightseeing tours on a cost recovery basis. The Travel Industry Act requires the Region to submit, to the Ontario Travel Industry Compensation Fund, annual financial statements for Canada Coach Lines Limited accompanied by a Review Engagement Report from the Region's external auditors. The Safety Services and Adjusters Limited enterprise handles the insurance claims related to this public transit system.

The Region's two Homes for the Aged, Macassa and Wentworth Lodge provide a safe and comfortable environment for elderly residents of the Region. The majority of funding for this operation is derived from the Province of Ontario, followed by resident user fees and contributions from Hamilton-Wentworth. The Region must prepare and submit annual audited financial statements for the lodges to the Ministry of Community and Social Services and the Ministry of Health.

UNCONSOLIDATED ENTITIES

The Regional Municipality of Hamilton-Wentworth has a legislated responsibility for administering and having audited annual financial statements prepared for a Sinking Fund and Trust Funds. The financial transactions for the Sinking Fund and the Trust Funds are not included in the Region's Consolidated Financial Statements as these funds are not considered part of the Region's municipal equity.

The Region issues Sinking Fund debentures on behalf of the Area Municipalities, local School Boards, and for its own purposes. The Sinking Fund is a separate self balancing fund that records the deposits received, investments purchased, interest earned and the actuarial requirements to retire these debentures on their maturity dates. The Trust Funds are comprised of Macassa and Wentworth Lodge residents' deposits in the form of cash and deposits held in trust.

SERVICES PROVIDED

The responsibility for providing services is divided between The Regional Municipality of Hamilton-Wentworth and the Area Municipalities depending on whether the function is area wide or local in scope. Services that can be performed more efficiently, effectively and economically on a regional level have been delegated the responsibility of the Hamilton-Wentworth Region. The jurisdiction over matters of a local nature have been left to the Area Municipalities. Services that are the responsibility of the Region or Area Municipalities can be contracted out between one another in the interest of cost efficiency. The division of responsibilities between the Region and the Area Municipalities is as follows:

REGION OF HAMILTON-WENTWORTH

- Police protection
- Regional roads
- Public transit
- Solid waste disposal
- Emergency measures
- Airport operations
- Issuing debentures
- Public health services
- Sewage collection and treatment
- Water treatment and distribution
- Social and welfare services
- Regional Official Plan
- Water and sewer billing
- Traffic by-law review
- Transportation planning
- Economic development

AREA MUNICIPALITIES

- Fire protection
- Local engineering
- Storm sewers
- Culture and recreation
- Local planning
- Traffic
- Solid waste collection
- Local roads and public works
- Building inspection
- Local Official Plan
- By-law enforcement
- Parks and cemeteries

The operation, financing and administration of the primary and secondary education system is the responsibility of the local School Boards, which are independent of The Regional Municipality of Hamilton-Wentworth and the Area Municipalities. The issuing of debentures for the local School Boards as well as the Area Municipalities is however the responsibility of the Region.

The Region and local School Boards impose levies on the Area Municipalities, who in turn are responsible for collecting all taxes, including the regional and school board portions.

ORGANIZATION STRUCTURE

The Regional Municipality of Hamilton-Wentworth was incorporated in 1973 by the Province of Ontario and operates under a Council-Committee-Chief Administrative Officer form of government. The composition, powers and responsibilities of each is laid down by the Hamilton-Wentworth Act.

COUNCIL

The Region is governed by a Council of twenty-eight members consisting of a Chairman and twenty-seven councillors from the Area Municipalities. The Chairman is the only member of Council that is elected at large. All other regional councillors hold office by virtue of their election to municipal councils. All members of Council including the Chairman have a 3 year term. The six mayors from each Area Municipality and all sixteen aldermen from the City of Hamilton are automatically selected to be on Regional Council. One representative from each of the other municipalities of Ancaster, Dundas, Flamborough, Stoney Creek and Glanbrook will fill the five remaining Council seats.

All powers of Council are exercised through the passage of by-laws or resolutions. Each member of Council including the Chairman has one vote. As chief executive officer of the Regional Corporation, the Chairman presides at Council meetings, may call special meetings, is an official signing officer and is a member of all standing committees. The Chairman also performs an important leadership, public relations and ceremonial role for the Region.

MEMBERS OF COUNCIL
1991 - 1994

Chairman
R. Whynott

Town of Ancaster
Mayor, R. Wade
Councillor, A. Sloat

Town of Dundas
Mayor, J. Addison
Councillor, J. Prentice

Town of Flamborough
Mayor, D. Granger
Councillor, J. Southall

Township of Glanbrook
Mayor, G. Etherington
Councillor, F. MacIntyre

City of Stoney Creek
Mayor, R. Hodgson
Councillor, G. Shaw

City of Hamilton
Mayor, R. Morrow
Councillor, T. Cooke
Councillor, M. Kiss
Councillor, V. Agro
Councillor, W. McCulloch
Councillor, D. Drury
Councillor, B. Morelli
Councillor, G. Copps
Councillor, D. Wilson
Councillor, D. Agostino
Councillor, F. Eisenberger
Councillor, B. Charters
Councillor, T. Jackson
Councillor, T. Anderson
Councillor, H. Merling
Councillor, F. D'Amico
Councillor, D. Ross

COMMITTEES

Six standing committees, Transportation Services, Environmental Services, Economic Development and Planning, Health and Social Services, Administrative Services and Finance have been established by Regional Council. These committees, composed of Regional Councillors only, cannot commit Council to corporate action. Their purpose is to closely scrutinize and debate staff reports, listen to any presentations from public delegations, and then make a recommendation to Council on whether the matter should be approved. Council may consider any matter without referring it to a committee or may withdraw any matter from a committee. Members of Council may also be appointed to one of three special purpose committees, a Court of Revision, a Land Division Committee, or a Trade License

Committee. The Court of Revision decides on appeals of assessments made as part of Local Improvement projects in the Area Municipalities. The Land Committee decides on all land severance applications within the Region, under the authority of the Planning Act. The Trade License Committee reviews and makes decisions with respect to appeals or requests for variances to the Regional trade license by-law.

A number of subcommittees and task forces consisting of both Councillors and private citizens have been created to deal with areas of special interest or concern. Each subcommittee reports to a standing committee, which then passes a recommendation to Council for action. A task force is a special kind of committee which is set up to study and make recommendations on a specific subject. It is time limited, and must present reports to Council, or their supervisory committee, according to a timetable or deadline.

CHIEF ADMINISTRATIVE OFFICER

The Chief Administrative Officer supports Regional Council by directing the daily operations of the Region through appointed department heads, and through the administration of Regional policies. He is the advisor to the Chairman and Council on all matters of government administration.

The operations of the Hamilton-Wentworth Region including its local boards have been organized into sixteen separate departments and one group. Front line services are provided to the area inhabitants by the Roads, Public Transit, Environmental Services, Customer Services and Facilities Management departments under the umbrella of the Transportation and Environmental Services Group, as well as the Health, Social Services, Planning, Economic Development, Hamilton Airport, Police and Library departments. The Finance, Legal, Information Systems, Clerks and Human Resources departments provide advisory, administrative and support services. All department heads with the exception of Police and Library, are responsible to various committees through the Chief Administrative Officer.

A significant reorganization of the several operating departments took place in 1991, effective with the start of the 1992 calendar year. A Transportation and Environmental Services Group was created by consolidating the Commissioner of Transportation and Commissioner of Engineering offices into a single office of the Commissioner of Transportation and Environmental Services. The purpose of this group concept was to delayer some of the present organizational structure by eliminating one of two interrelated commissioner positions. The Department of Engineering and Freeway Project Office were split into three departments; Roads, Environmental Services, and Customer Services and Facilities Management. The Transportation Services Department consisting of the Hamilton Street Railway Company and Canada Coach Lines Limited remains intact but will have its name changed in 1992 to read the Public Transit Department. The objectives of this reorganization were to create an organizational structure that was clear and logical to the public and the elected representatives, to push responsibility and authority to the front line positions in the organization by eliminating staff layers and increasing the span of control, and to provide flexibility to respond to future growth in specific areas.

Roads Department

- ☐ program and budget for future improvements to the Regional road system
- ☐ plan, design, construct and maintain the Regional road system, water, sanitary and storm sewer facilities
- ☐ administer roadway right-of-way and development control
- ☐ undertake the acquisition or expropriation of all lands or easements required for the Red Hill Creek Expressway and Perimeter Road
- ☐ manage and monitor the maintenance of residential rental units and vacant lands
- ☐ plan, design and supervise construction of the Red Hill Creek Expressway, Perimeter Road and Regional Bicycle Network
- ☐ control all Regional and City of Hamilton subdivision agreements
- ☐ provide design and construction supervision for local road and municipal services within the City of Hamilton
- ☐ review all development applications related to transportation and municipal services
- ☐ manage and administer the Parcils Related Computer Information Library

Environmental Services Department

- ☐ program, plan and budget for improvements to the Regional sanitary sewer treatment and collection system, the water treatment and distribution system and the City of Hamilton storm water collection system
- ☐ operate and maintain the water and waste water systems
- ☐ plan and administer the Region's waste management program including recycling, incineration, landfill operations and administration of Sewer Use Control By-Laws
- ☐ provide Regional laboratory services

Customer Services and Facilities Management Department

- ☐ coordinate the response to all inquiries for the Roads and Environmental Services departments
- ☐ produce an employee newsletter for the Roads and Environmental Services departments
- ☐ negotiate and manage all leases held by the Region
- ☐ develop and administer all furniture and accommodation standards
- ☐ administer, maintain and operate all Regional properties including the Court House

Public Transit Department

- ☐ provide a public transit system for the Region's citizens, through the operations of the Hamilton Street Railway
- ☐ provide a public inter-city transit system to more than 10 towns and cities, through Canada Coach Lines Limited
- ☐ maintain a public transit fleet of 221 natural gas, electric trolley and diesel buses, and 29 coach carriers
- ☐ maintain the transit infrastructure for 33 routes covering 14 million kilometres
- ☐ provide charter, sightseeing and parcel express services

Airport Department

- ☐ administer and operate the airport to Transport Canada standards and safety requirements
- ☐ promote the airport to the aviation industry through personal contact and advertising

Economic Development Department

- ☐ project Hamilton-Wentworth as a Regional Centre
- ☐ retain and expand existing enterprises
- ☐ develop industrial land
- ☐ foster small business
- ☐ facilitate investment opportunities
- ☐ identify business partners
- ☐ attract people and employment
- ☐ assist technology and skills development
- ☐ promote tourism and special events
- ☐ attract conventions

Health Department

- ☐ achieve optimal health for the community through health promotion, health protection and disease prevention programs and services
- ☐ provide public health programs including public health inspection, nursing, nutrition and dental plus administration and medical
- ☐ provide child and adolescent, mental health, dental treatment, alcohol and drug assessment and septic services

- ☐ provide community mental health promotion
- ☐ facilitate the integration of service, education and research to maintain excellence in Community Health Services through affiliation with McMaster University as a Teaching Health Unit

Police Department

- ☐ prevent and detect crime within the Region
- ☐ protect persons and property
- ☐ maintain law and order
- ☐ provide safety instruction to youth
- ☐ apprehend and bring before the courts of law, alleged offenders
- ☐ reduce motor vehicle collisions through selective traffic enforcement

Social Services Department

- ☐ provide social and financial assistance to the unemployed, the unemployable and persons in need of temporary assistance
- ☐ operate Regional child development centres, day nurseries and home day care programs
- ☐ aid community, social and health agencies in their funding to provide support services in the community
- ☐ provide services and facilities for senior citizens through two Homes for the Aged

Planning Department

- ☐ provide the most efficient and effective land use and development pattern in the Region
- ☐ provide economic analysis and policy development
- ☐ prepare and maintain Regional official plan
- ☐ process and report on plans of subdivisions and condominiums
- ☐ develop and maintain a centralized Regional information service
- ☐ provide planning services for area municipalities upon request

Library Department

- ☐ provide a full range of library service programs for the Wentworth Library Board which operates fifteen libraries throughout the municipalities of Ancaster, Flamborough, Glanbrook and Stoney Creek

ADMINISTRATIVE, ADVISORY AND SUPPORT SERVICES

Finance Department

- ☐ provide financial expertise, corporate reporting, accounting control and financial policy development
- ☐ provide sewer, water and solid waste billing and customer services
- ☐ secure capital financing for the Region, Area Municipalities and School Boards
- ☐ prepare and monitor current and capital budgets
- ☐ provide corporate insurance services
- ☐ provide payroll, pension, benefit and accounts payable services
- ☐ administer the Region's development charge policies
- ☐ manage Regional and pension fund investments

Legal Services Department

- ☐ serve the legal needs of the Regional Corporation, including Council and all Regional Departments, Boards and Agencies

Clerks Department

- ☐ Council Secretariat
- ☐ maintain and manage Regional official documents and records
- ☐ provide courier, mail and printing services
- ☐ carry out statutory responsibilities respecting the Local Improvement Act, and act as Secretary to Court of Revision
- ☐ provide public with access to Council records
- ☐ administer Freedom of Information Act

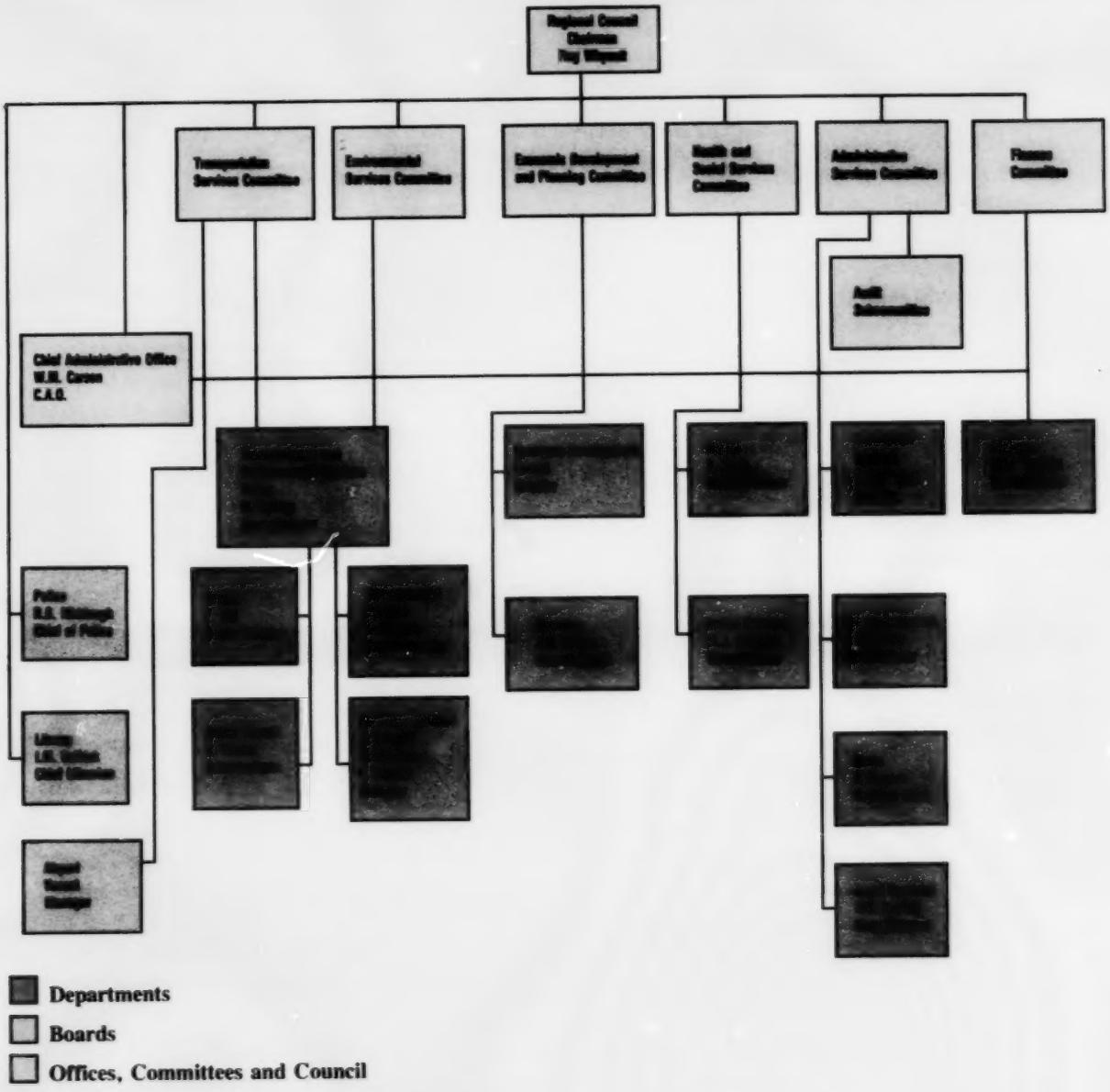
Information Systems Department

- ☐ provide information and computer support services
- ☐ develop long term plans and strategy for future computer services
- ☐ administer systems development

Human Resources Department

- ☐ provide personnel services and policies
- ☐ negotiate collective agreements and labour relations services
- ☐ provide staff training and development
- ☐ provide employee assistance and administer suggestion plan programs
- ☐ maintain employee records
- ☐ implement pay and job equity programs

CORPORATE ORGANIZATION CHART

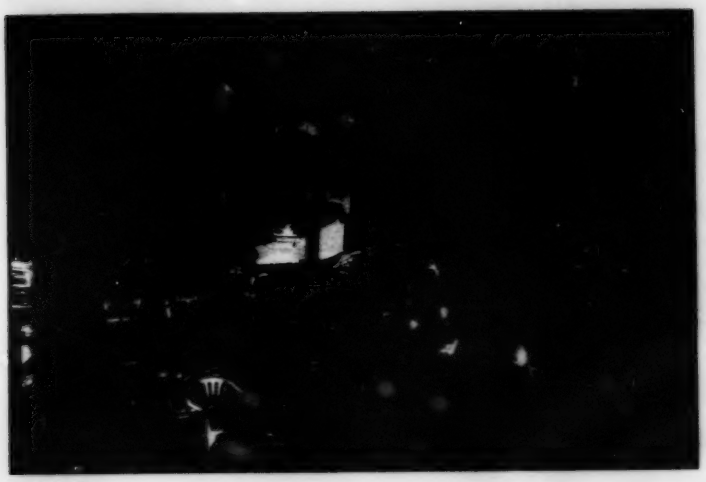


Departments

Boards

Offices, Committees and Council

Festival of Friends at Gage Park



Hess Village

Art Gallery of Hamilton at night

This report prepared by:

The Regional Municipality
of Hamilton-Wentworth
Finance Department
110 King Street West
3rd Floor
P.O. Box 910
Hamilton, Ontario
L8N 3V9

Photography:
P. Sparrow
Multi Media Techniques

Printed on Recycled Paper